

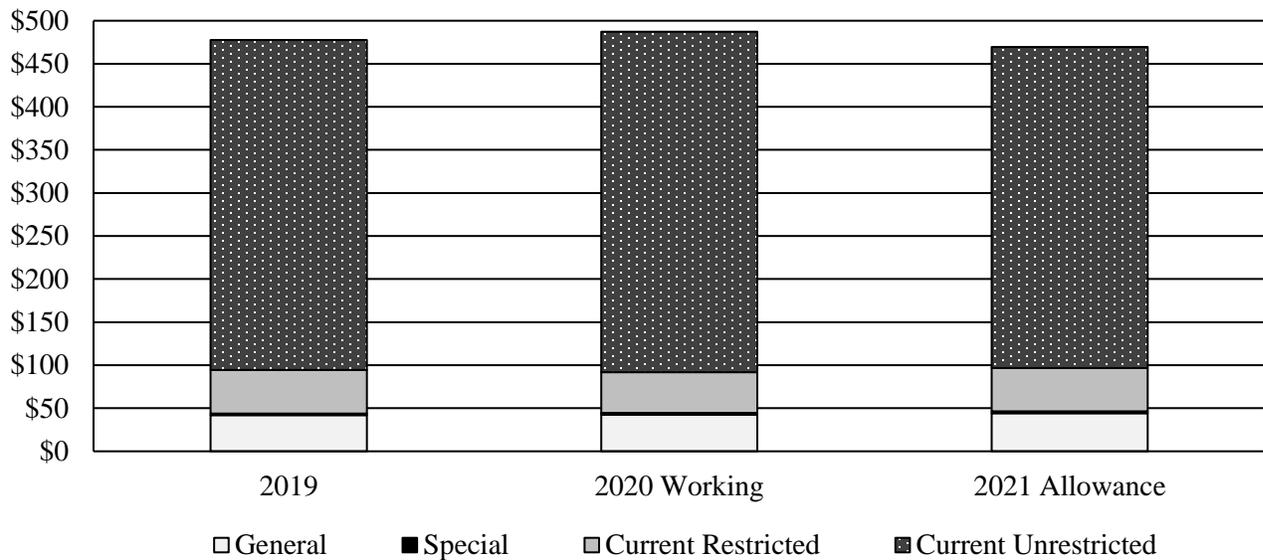
R30B30
University of Maryland Global Campus
University System of Maryland

Executive Summary

The University of Maryland Global Campus (UMGC), formerly the University of Maryland University College (UMUC), is an online State university that offers undergraduate and graduate programs. With locations in Maryland and at military installations around the world, UMGC primarily serves working adults and service members.

Operating Budget Summary

**Fiscal 2021 Budget Decreases by \$17.5 Million or 3.6% to \$470.0 Million
(\$ in Millions)**



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- General fund support for UMGC in the adjusted fiscal 2021 budget increases by \$2.0 million, or 4.7%, from the 2020 adjusted working appropriation.
- Current unrestricted funds decrease in fiscal 2021 by \$20.6 million as a result of a decline in expected tuition and fee revenue (\$4.2 million), the implementation of personnel cost controls and adjustments (\$3.9 million), and a decreased usage of fund balance (\$12.5 million).

Key Observations

- Total enrollment declined for the first time since 2013.
- UMGC is seeking tuition flexibility from the University System of Maryland Board of Regents.
- UMGC continues the National Marketing Campaign. Initial results have been mixed.

Operating Budget Recommended Actions

1. Adopt narrative requesting information on the outcomes of the University of Maryland Global Campus' national marketing campaign.

Updates

- Chapter 40 of 2019 renamed UMUC to UMGC effective July 1, 2019.

R30B30
University of Maryland Global Campus
University System of Maryland

Operating Budget Analysis

Program Description

The University of Maryland Global Campus (UMGC) specializes in providing access to higher education for Maryland’s adult learners. Most UMGC students have career and/or family commitments that lead them to study part time. UMGC services its students through traditional and innovative delivery of undergraduate and graduate degree programs, noncredit professional development programs, and conference services.

UMGC provides courses at 25 locations throughout the State and the Washington, DC metropolitan area and has offered online education programs since 1994. The institution also offers special programs in other states and programs overseas for U.S. service members and their families, U.S. citizens, and international students. UMGC’s vision is to be the global university of Maryland.

Academic programs offered by UMGC include Bachelor of Arts and Bachelor of Science degrees with 32 majors and 40 minors. UMGC offers 18 master’s degrees as well as master’s degree specializations in biotechnology, information technology, and management. UMGC also offers a Doctor of Business Administration and a Doctor of Management in Community College Policy and Administration. The university has a role in renewing and upgrading the skills of an experienced workforce.

Carnegie Classification: Masters Colleges and Universities: Larger Programs

Fall 2019 Undergraduate Enrollment Headcount		Fall 2019 Graduate Enrollment Headcount	
Male	25,415	Male	5,460
Female	20,747	Female	6,659
Total	46,162	Total	12,119
Number at regional centers	720	Number at regional centers	117
Fall 2019 New Students Headcount		Campus (Main Campus)	
First-time	753	Acres	13.1
Transfers/Others	10,770	Buildings	3
Graduate	2,386	Average Age	33 years
Total	13,909	Oldest	1963
Programs		Degrees Awarded (2018-2019)	
Bachelor’s	36,445	Bachelor’s	6,388
Master’s	11,331	Master’s	4,456
Doctoral	185	Doctoral	46
		Total Degrees	10,890

Proposed Fiscal 2021 In-state Tuition and Fees*

Undergraduate Tuition	\$306 per Credit Hour
Mandatory Fees	\$15 per Credit Hour

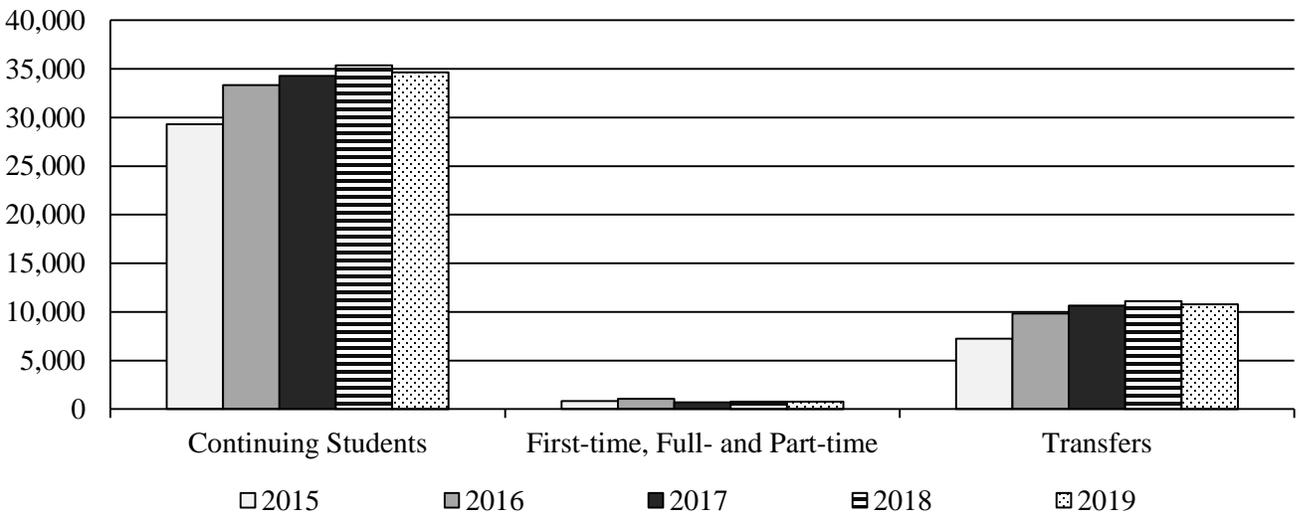
*Contingent on Board of Regents approval.

Performance Analysis: Managing for Results

1. Undergraduate Fall Headcount

Total undergraduate enrollment decreased by 1,091 students, or 2.3%, in fall 2019 when compared to fall 2018. The largest numeric decrease came from the continuing student population which decreased by 734 students, while the greatest percentage decrease came from transfer students whose population decreased by 3.2%, as shown in **Exhibit 1**. There was also a decrease in the first-time, full- and part-time population of 3 students when compared to the fall 2018 population. This is the first time since fiscal 2014 that UMGC has experienced a decline in enrollment, ending a five-year period of continuous enrollment growth.

Exhibit 1
Undergraduate Fall Headcount
Fiscal 2015-2019

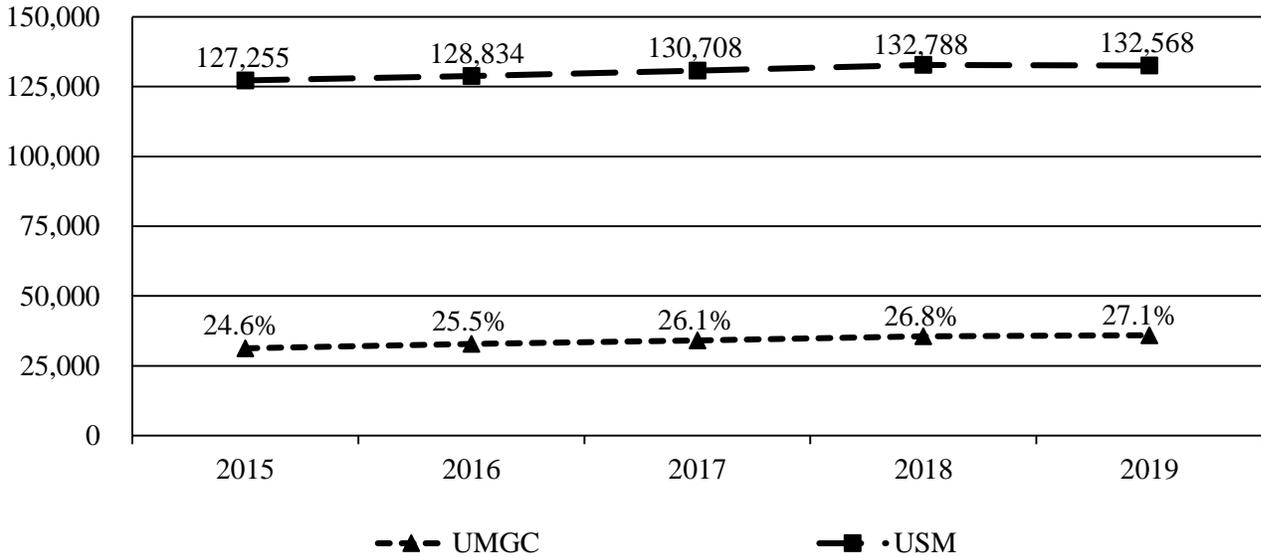


Source: University of Maryland Global Campus

The President should comment on why UMGC has experienced a decrease in enrollment for the first time since fiscal 2014.

Despite the decrease in undergraduate enrollment, UMGC continues to have the highest percentage of the total University System of Maryland (USM) undergraduate full-time equivalent student (FTES) enrollment. As shown in **Exhibit 2**, UMGC's percentage of the total USM enrollment has increased in each fiscal year since fiscal 2015. In fiscal 2015, UMGC enrollment encompassed 24.6% of the total USM enrollment with that percentage reaching 27.1% in fiscal 2019.

Exhibit 2
UMGC FTES Undergraduate Enrollment Compared to USM FTES
Undergraduate Enrollment
Fiscal 2015-2019



FTES: full-time equivalent student
 UMGC: University of Maryland Global Campus
 USM: University System of Maryland

Source: Department of Budget and Management

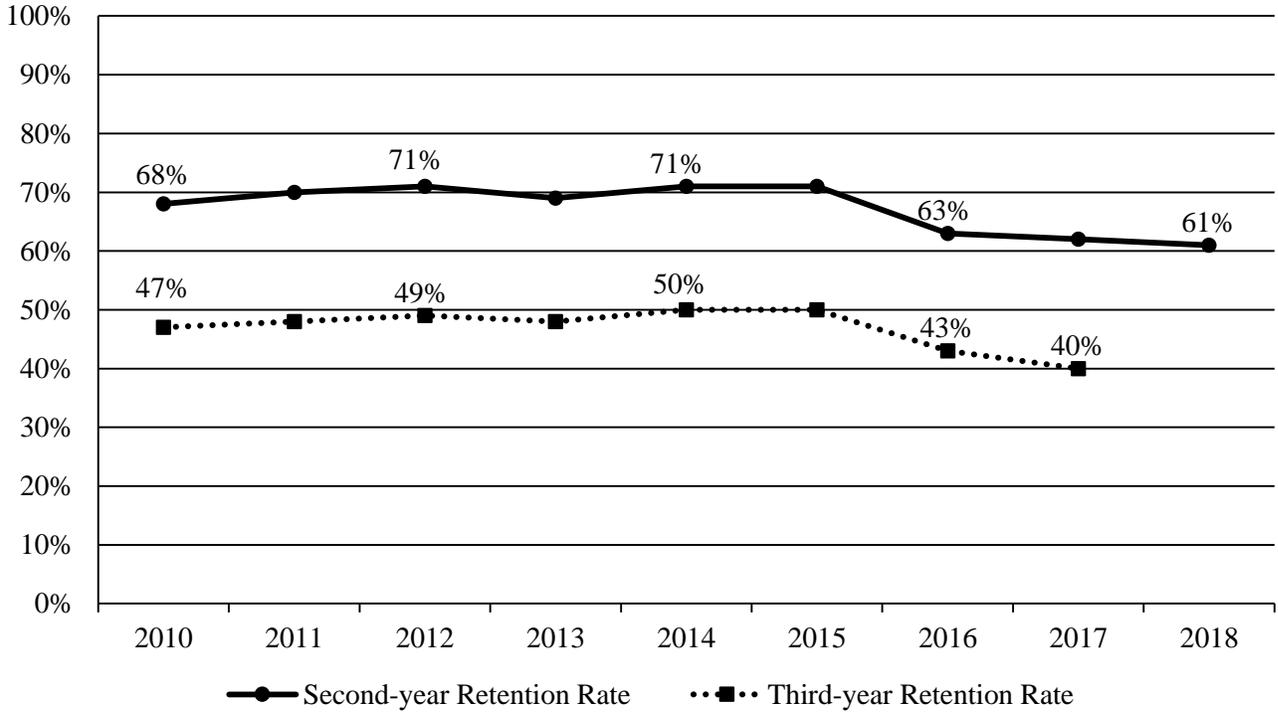
2. Student Performance

Maintaining and strengthening academic excellence and effectiveness to meet the educational needs of the State is a key strategic goal of USM and UMGC. The Maryland Higher Education Commission does not report UMGC’s retention or graduation rates in its regular annual reporting due to UMGC’s mission to serve the adult, part-time population. Many distance education students take much longer to complete degrees and take time off before graduation, thus traditional metrics are not reflective of UMGC’s success with its target student demographic, namely individuals 25 to 45 years old. In fact, the average age of a UMGC student is 33, 77% work full time, and 45% have children.

Exhibit 3 shows the most recent data for retention rates for fiscal 2010 through 2018. The second-year retention rate had remained fairly stable from 2010 through 2015, ranging between 68% and 71%. Since 2015, this rate has fallen 10 percentage points, to 61% in fiscal 2018. The third-year retention rates follow a similar pattern. From fiscal 2010 through 2015, the third-year retention rates

ranged from a low of 47% to a high of 50%. From fiscal 2015 to 2017, however, this rate also fell 10 percentage points, to 40% for the 2017 cohort.

Exhibit 3
Second- and Third-year Retention Rates
Fiscal 2010-2018

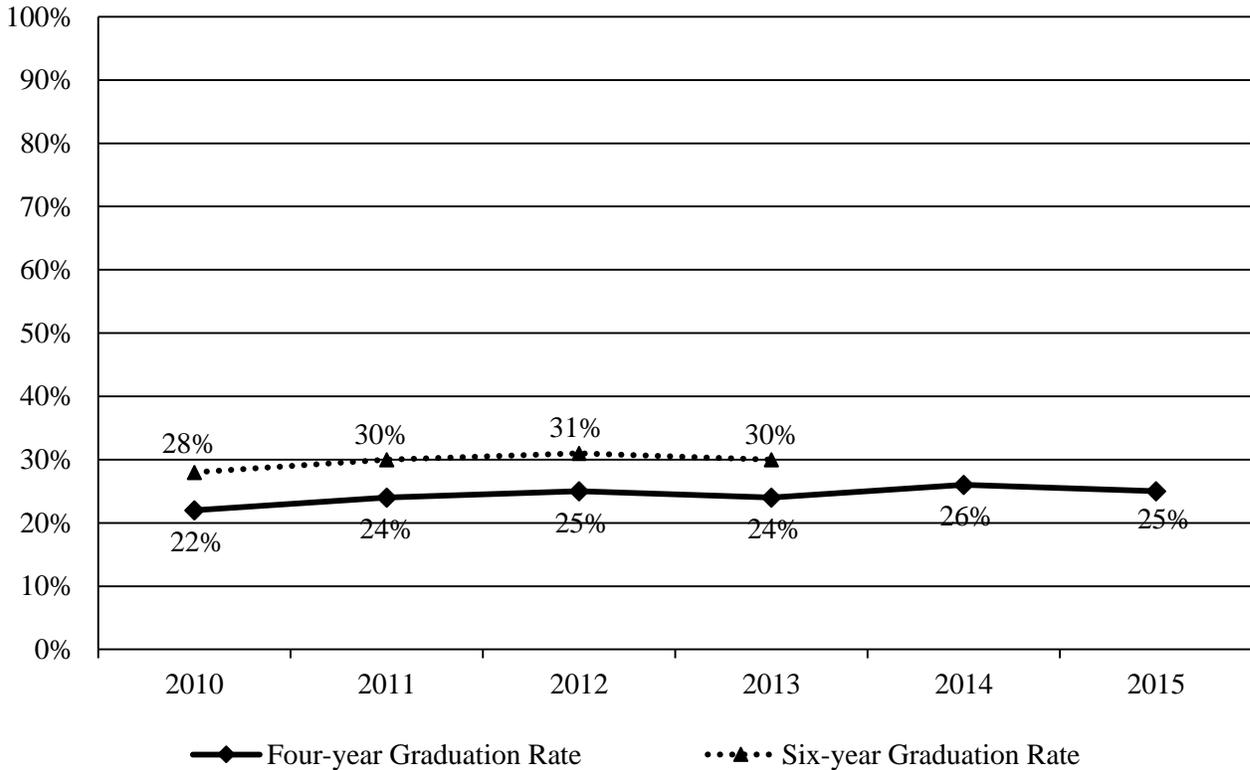


Source: University of Maryland Global Campus

The President should comment on the decrease in the second- and third-year retention rates beginning in fiscal 2016.

Graduation rates are, in part, another measure of student persistence and efficiency. **Exhibit 4** shows the four- and six-year graduation rates for the 2010 through 2015 cohorts. The four-year graduation rate has remained stable from 2010 to 2015, increasing by three percentage points to 25%. The six-year graduation rate has also slightly improved from 2010 to 2013, increasing from 28% to 30%.

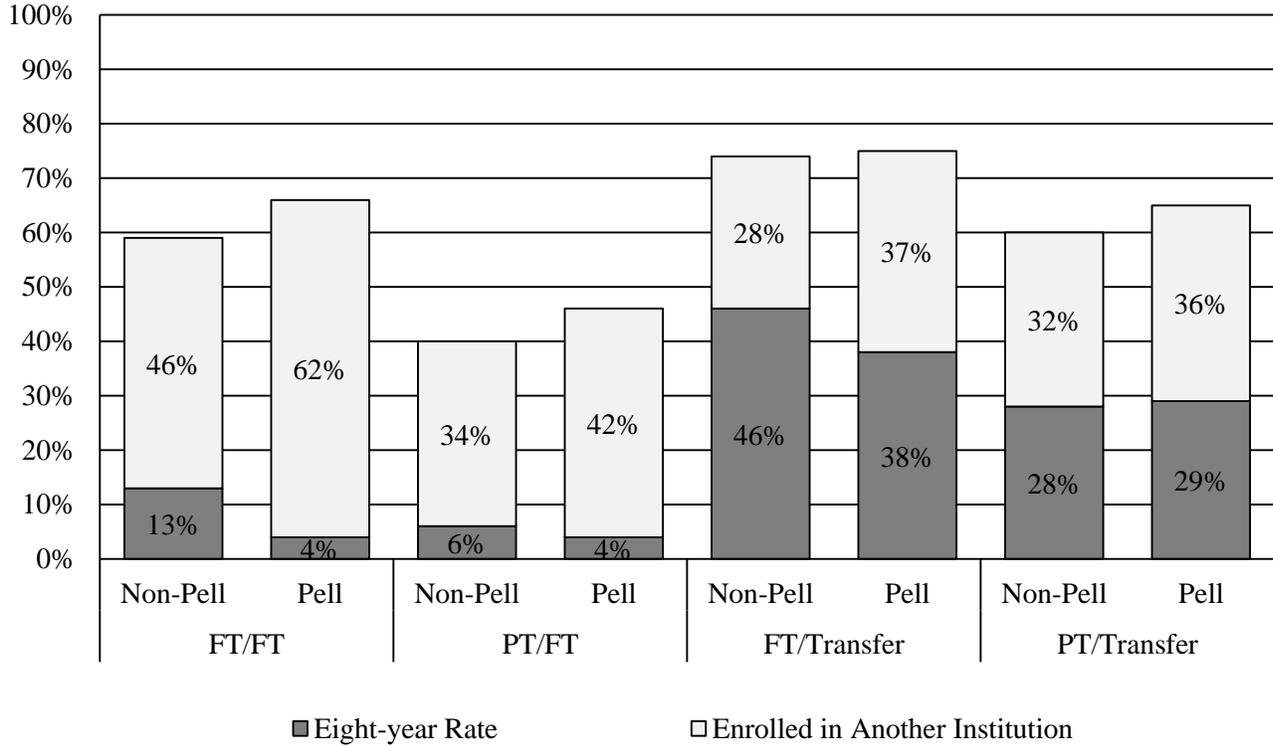
Exhibit 4
Four- and Six-year Graduation Rates
Fiscal 2010-2015



Source: University of Maryland Global Campus

In order to have a more inclusive graduation rate that captures the progress by nontraditional students, the Integrated Postsecondary Education Data System reports on the outcomes of first-time, transfers, and part-time students by Pell and non-Pell recipients. As shown in **Exhibit 5**, full-time transfer students, both Pell- and non-Pell-eligible, graduate at a higher percentage rate than any other category. Non-Pell-eligible full-time transfer students graduate at a rate 18 percentage points higher than non-Pell-eligible part-time transfer students. Pell-eligible full-time transfer students graduate at a rate 9% higher than Pell-eligible part-time transfer students.

**Exhibit 5
Eight-year Graduation Rate for
Students Entering in Academic Year 2010-2011**

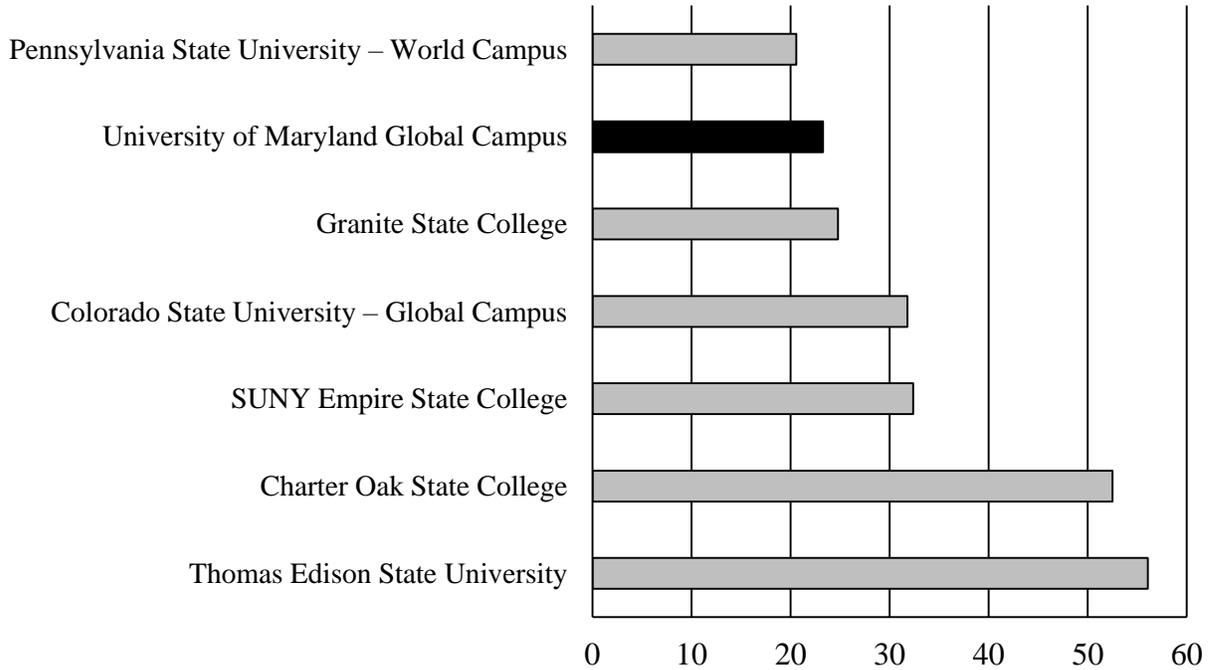


FT/FT: full-time, first-time
 PT/FT: part-time, first-time
 FT: full-time
 PT: part-time

Source: National Center for Education Statistics, College Navigator

Ultimately, how well an institution meets its academic mission is measured by the number of undergraduate degrees awarded. The number of undergraduate degrees awarded per 100 FTES shows how effectively institutions turn degree-seeking students into degree holders. **Exhibit 6** compares the three-year average of UMGC’s ratio to that of its peers. Peer institutions are those used to benchmark UMGC’s performance in USM’s dashboard indicators. Depending on the institution, the optimal value is 25.0 but would be higher for those who mainly offer upper-division programs or have a relatively high number of transfer students. At 23.3 degrees per 100 FTES, UMGC’s ratio is below all but one of its peer institutions.

Exhibit 6
Undergraduate Degrees Awarded Per 100 FTES
Three Year Comparative Average
Fiscal 2016-2018



FTES: full-time equivalent student
SUNY: State University of New York

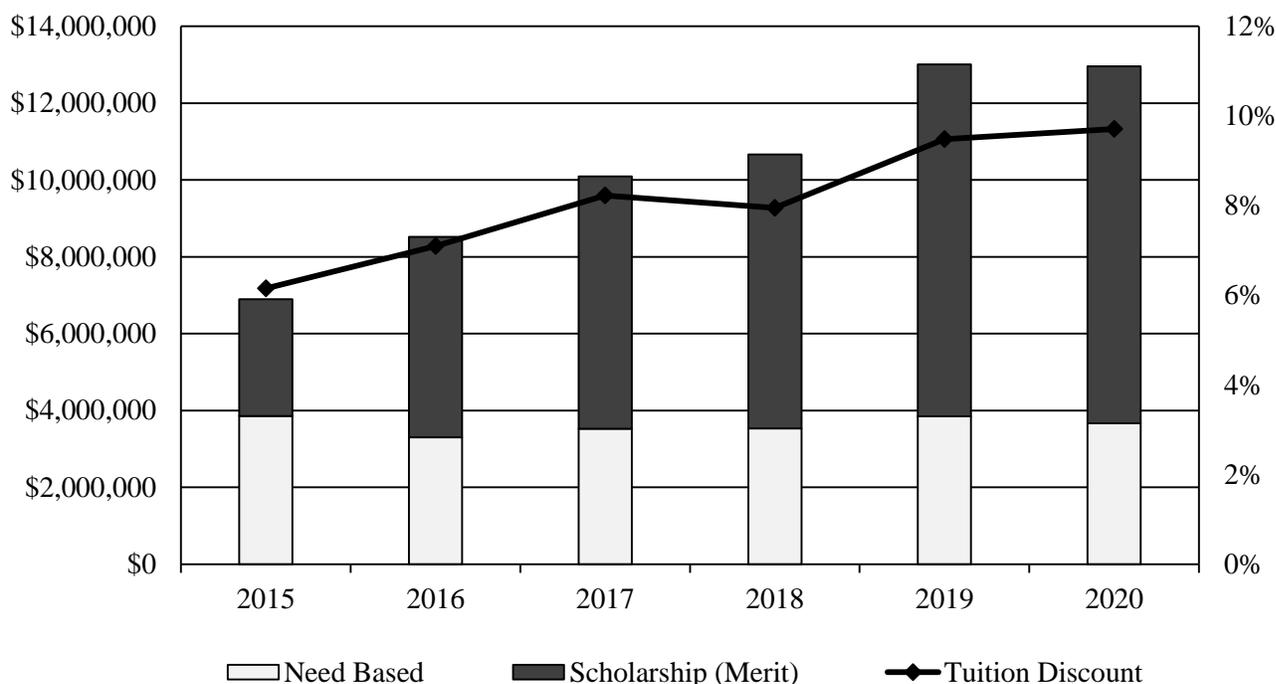
Source: Integrated Postsecondary Education Data System

3. Affordability and Accessibility

Tuition Discount

In order to increase accessibility and make college more affordable, public colleges have been increasing the amount they discount tuition through institutional aid (need based, scholarships, *etc.*). The discounted rate is the ratio of the total institutional aid to undergraduate tuition. As shown in **Exhibit 7**, the tuition discounted rate has risen over the last five fiscal years, going from 6.1% in fiscal 2015 to 9.7% in fiscal 2020.

**Exhibit 7
Institutional Aid and Tuition Discount
Fiscal 2015-2020**



Source: University of Maryland Global Campus; Department of Legislative Services

Institutional Aid

Total expenditures on institutional aid grew by 87.9%, or \$6.1 million, from fiscal 2015 to 2020, as shown in Exhibit 7. However, during this time period, total spending on need-based aid declined 5.1%, to \$3.7 million in fiscal 2020. In fiscal 2015, need-based aid comprised 56% of the spending on institutional aid but has declined to 28.3% in fiscal 2020. A noticeable shift in spending occurred in fiscal 2016 with \$0.6 million, or 14.5%, less being spent on need-based aid, while that spent on scholarships grew by \$2.2 million, or 72%. This trend has continued through fiscal 2020 with spending on scholarships growing from \$3.0 million in fiscal 2015, to \$9.3 million in fiscal 2020.

This shift away from need-based aid runs counter to the USM Board of Regents (BOR) instructions to institutions to use a portion of tuition revenue increases for institutional aid directed toward undergraduate students with the highest financial need to offset increases in tuition rates.

The President should comment on why a shift was made toward spending more on scholarships and less on need-based aid and the impact that this has had on low-income students.

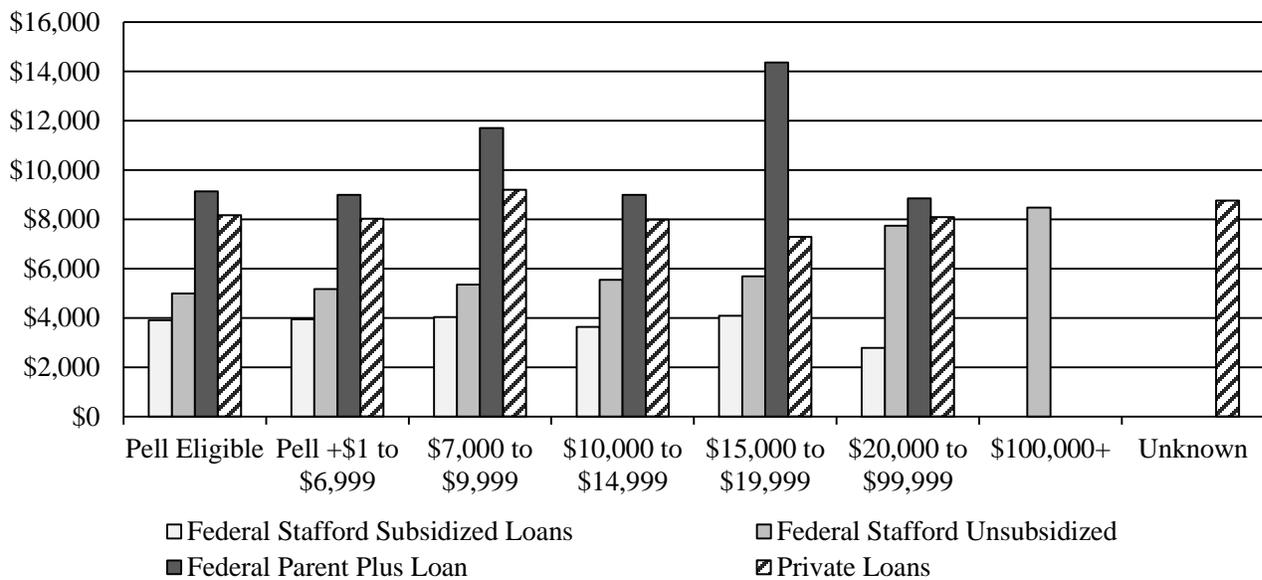
Loans

In fiscal 2019, about 25% of UMGC’s undergraduate students received a Pell grant, which are given to those student who otherwise could not afford college. These students have an expected family contribution (EFC) of less than a specific amount, which was \$5,140 in fiscal 2019. EFC is an indicator of the amount that a family is able to contribute to a student’s college education; the lower the EFC, the greater the need for financial aid.

While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attendance. As shown in **Exhibit 8**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- federal subsidized loans that are based on financial need with the government paying the interest while the student is enrolled in school (Stafford subsidized loans and Perkins loans);
- federal unsubsidized loans are general loans for those who do not demonstrate financial need with interest added to the balance of the loan while the student is enrolled in school (Stafford unsubsidized and Parent PLUS loan); and
- private loans.

Exhibit 8
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2019



Source: University of Maryland Global Campus

In fiscal 2019, of the 18,915 Pell-eligible students, 6,049 and 4,658 used subsidized and unsubsidized loans, respectively, to help pay for their college education, with average loans of \$3,901 and \$4,992. In addition, 86 Pell-eligible students took out private loans, and, on average, borrowed \$8,169. In general, the federal parent loans were the highest average loans taken out for those in all EFC categories, with those with an EFC category of \$15,000 to \$19,999 taking out the highest average loan of \$14,369.

Student Debt

Recently, the U.S. Department of Education's College Scoreboard started reporting the median debt (excluding private and Parent PLUS loans) for 2016 and 2017 graduates. This is an effort to give students a better picture of outcomes at the program rather than the institutional level. The median debt of a UMGC student ranged from \$11,000 for a liberal arts and sciences associates degree to \$20,891 for a finance and financial management services degree.

Fiscal 2020 Working Budget

Actions Affecting Fiscal 2020 Budget

The fiscal 2020 adjusted working appropriation includes a general fund decrease of \$341,877 and a corresponding increase in the Higher Education Investment Fund (HEIF) of the same amount. The fiscal 2020 adjusted working appropriation also includes a 1.0% general salary increase effective January 1, 2020, which totals \$158,517.

Education and General Expenditures

Since tuition and fee revenues in the allowance are based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution's revenues. Therefore, looking at the changes of expenditures by program area between fiscal 2019 and 2020, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 9 shows budget changes for unrestricted funds by program area for fiscal 2019 and 2020, which increase by \$13.1 million, or 3.1%, in fiscal 2020. In several areas (instruction, academic support, and institutional support), the growth shown in fiscal 2020 reflects efforts to lower costs in fiscal 2019 due to lower enrollment. Spending on public service increased by \$3.9 million, or 26.8%; this total represents an oversized expense budget for the UMGC Inn and Conference Center in fiscal 2020, which will be corrected in fiscal 2021. Student services spending decreased by \$7.5 million, or 6.0%, as a result of a decrease in spending on the national marketing campaign. UMGC plans to utilize an additional \$18.0 million from fund balance that will be used to continue the national marketing campaign and invest in its infrastructure.

Education and general (E&G) expenditures were higher than revenues received to pay for these services. In order to cover this shortfall, UMGC used transfers from fund balance. In times when E&G

revenues may not cover academic expenses, institutions will use transfers from the fund balance to help offset these shortfalls.

Exhibit 9
Budget Changes for Unrestricted Funds by Program
Fiscal 2019-2020
(\$ in Thousands)

	<u>Actual</u> <u>2019</u>	<u>Adjusted Working</u> <u>2020</u>	<u>\$ Change</u> <u>2019-2020</u>	<u>% Change</u> <u>2019-2020</u>
Expenditures				
Instruction	\$111,672	\$114,881	\$3,209	2.9%
Public Service	14,568	18,477	\$3,908	26.8%
Academic Support	58,594	62,077	\$3,484	5.9%
Student Services	124,707	117,175	-\$7,532	-6.0%
Institutional Support	74,580	78,875	\$4,295	5.8%
Operation and Maintenance of Plant	24,726	30,009	\$5,282	21.4%
Scholarships and Fellowships	17,971	18,245	\$274	1.5%
General Salary Increase		159	\$159	
E&G Total	\$426,819	\$439,897	\$13,078	3.1%
Auxiliary Enterprises	\$113	\$100	-\$13	-11.5%
Total Expenditures	\$426,932	\$439,997	\$13,065	3.1%
Revenues				
Tuition and Fees	\$355,095	\$344,036	-\$11,059	-3.1%
State Funds ¹	43,838	44,481	643	1.5%
Other	-2,187	1,158	3,345	-153.0%
Total E&G Revenues	\$396,746	\$389,676	-\$7,070	-1.8%
Auxiliary Enterprises	\$18,880	\$21,054	\$2,174	11.5%
Transfer from Fund Balance	11,306	29,267	17,961	158.9%
Available Unrestricted Revenues	\$426,932	\$439,997	\$13,065	3.1%

E&G: education and general

UMGC: University of Maryland Global Campus

¹State funds include general funds and Higher Education Investment Funds.

Note: Fiscal 2020 State funds adjusted to reflect a general salary increase.

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

UMGC’s unrestricted expenses were reduced by \$64 million in the fiscal 2020 working budget through a budget amendment. These reductions included \$21 million in salary and wage adjustments as the usage of adjuncts were lowered due to the decrease in enrollment. Operating adjustments totaling

\$43 million were also adopted which included a decrease in funding allocated toward the national marketing campaign.

The President should comment on additional actions UMGC will undertake to identify administrative and academic efficiencies to achieve cost savings.

Fiscal 2021 Proposed Budget

As shown in **Exhibit 10**, State support for UMGC in the adjusted fiscal 2021 budget is 4.4%, or \$1.9 million, higher than the adjusted fiscal 2020 working appropriation. The increase in State support in fiscal 2021 is to cover ongoing costs at UMGC including general salary increases.

Exhibit 10
Proposed Budget
University of Maryland Global Campus
Fiscal 2019-2021
(\$ in Thousands)

	<u>Actual 2019</u>	<u>Working 2020</u>	<u>Allowance 2021</u>	<u>Change 2020-2021</u>	<u>% Change Prior Year</u>
General Funds	\$41,910	\$42,038	\$43,551	\$1,513	3.6%
General Salary Increase		159	634	\$476	
Total General Funds	\$41,910	\$42,197	\$44,185	\$1,988	4.7%
HEIF	\$1,928	\$2,285	\$2,241	-\$44	-1.9%
Total State Funds	\$43,838	\$44,481	\$46,426	\$1,944	4.4%
Other Unrestricted Funds	\$383,094	\$395,358	\$372,739	-\$22,619	-5.7%
Total Unrestricted Funds	\$426,932	\$439,839	\$419,165	-\$20,674	-4.7%
Restricted Funds	\$50,514	\$47,284	\$50,417	\$3,133	6.6%
Total Funds	\$477,447	\$487,123	\$469,582	-\$17,541	-3.6%

HEIF: Higher Education Investment Fund

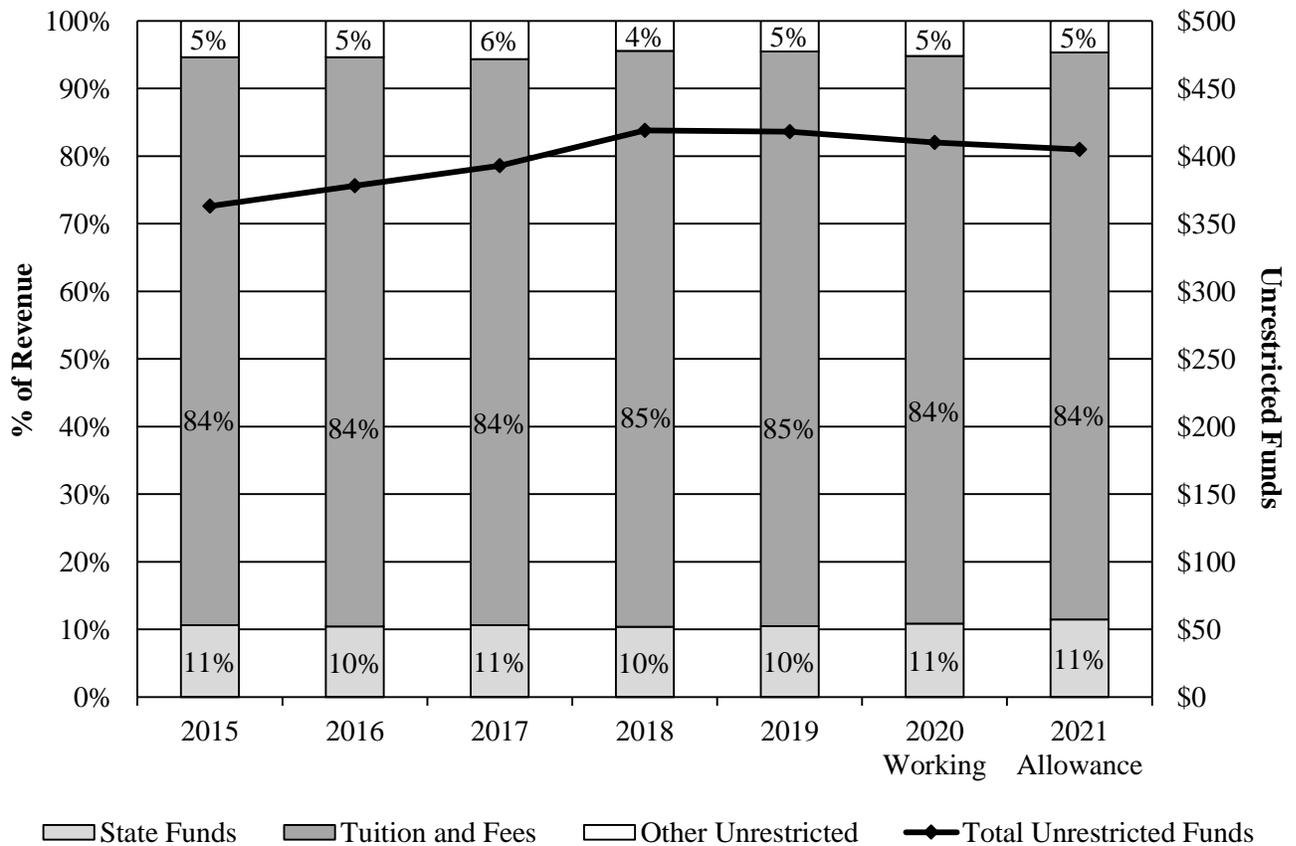
Note: Fiscal 2020 general funds reflect a general salary increase. Fiscal 2021 reflects general salary increases.

Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

Revenue Sources

In the fiscal 2021 budget, State funds (general and the HEIF) and tuition and fees comprise 11% and 84%, respectively, of UMGC’s current unrestricted revenue, as shown in **Exhibit 11**. In general, the overall ratios have remained stable over this period. Between fiscal 2015 and 2021, total unrestricted funds increased by \$41.6 million, or 11.4%, with State funds accounting for \$7.7 million of the increase and tuition and fee revenue for \$35.8 million.

Exhibit 11
Unrestricted Revenues by Source
Fiscal 2015-2021
(\$ in Millions)



Note: Numbers may not sum due to rounding.

Source: Governor’s Fiscal 2021 Budget Books

Personnel Data

	<u>FY 19 Actual</u>	<u>FY 20 Working</u>	<u>FY 21 Allowance</u>	<u>FY 20-21 Change</u>
Regular Positions	1,032.71	1,032.71	1,032.71	0.00
Contractual FTEs	<u>2,202.33</u>	<u>2,224.69</u>	<u>2,212.39</u>	<u>-12.30</u>
Total Personnel	3,235.04	3,257.40	3,245.10	-12.30

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	80.24	7.77%
Positions and Percentage Vacant as of 12/31/19	50.5	4.9%
Vacancies Below Turnover	29.74	2.87%

Issues

1. UMGC Seeks Tuition Flexibility from the University System of Maryland Board of Regents

According to UMGC, the level of demand for higher education that was seen in 2008 through 2012 has tapered, with national demand for higher education expected to continue to decline through 2021. Public high school enrollment between 2009 and 2014 declined nationally and in Maryland. This waning demand is now hitting UMGC enrollments as its pool of adult learners, aged 25 to 27, usually lags the high school decline by roughly five to nine years. The adult learner pool is not expected to increase again until 2026. Furthermore, Maryland community college enrollment, from which UMGC annually draws 10% of its enrollment, has also decreased for five consecutive years.

With high school graduation rates and enrollment in higher education institutions decreasing, the competition for students and adult learners is increasing. Public online programs are proliferating, with new players stealing share from existing players. In addition, traditional universities are acting like for-profits. Arizona State University, Purdue Global, and Southern New Hampshire University now all have call patterns to prospective students that mirror those of the University of Phoenix. The result of this changing higher education structure, according to UMGC, is that online education has become a commodity where institutions with the highest awareness and lowest price (tuition and fees) are more effective at enrolling students. **Exhibit 12** shows the tuition rates at UMGC and several online competitor institutions.

Exhibit 12
Tuition Rates at Selected Online Institutions
Fiscal 2020

	Undergraduate		Graduate	
	In-state	Out-of-state	In-state	Out-of-state
	<u>Tuition</u>	<u>Tuition</u>	<u>Tuition</u>	<u>Tuition</u>
University of Maryland Global Campus	\$300	\$499	\$480	\$659
Southern New Hampshire University ¹		\$320		\$627
University of Phoenix ¹		\$398		\$698
Grand Canyon University ²		\$395-\$470		\$350-\$690
Arizona State University ²		\$530-\$728		\$532-\$1,397

¹Single tuition rate for in- and out-of-state tuition.

²Single tuition rate for in- and out-of-state tuition that varies by program.

Note: Per credit hour.

Source: University of Maryland Global Campus

Market research conducted by UMGC during the national marketing campaign discussed in greater detail in Issue 2 of this analysis, has shown that, while online inquiries into the programming offered by UMGC remain high, once a potential out-of-state student discovers the out-of-state tuition level, they leave the website. To that end, UMGC has begun discussions with USM BOR to seek policy changes that would allow UMGC to set their own tuition and fee levels.

The President should comment on whether tuition levels should be set by UMGC instead of by USM BOR and the steps UMGC needs to take to remain competitive in the national marketplace.

2. National Marketing Campaign Update

As noted previously, UMGC’s business model is based on a modest level of State support. This model is dependent on enrollment growth to produce economies of scale which then allows UMGC to provide a quality education at a low cost to students. Given the increasingly competitive online education market, future growth for UMGC is constrained by their reliance on the Washington, DC; Maryland, and Virginia (DMV) region and the military. According to UMGC, the market share of adult students in the DMV region has reached near maximum levels, while competing institutions have made inroads into the region. The market saturation that has been attained by UMGC in the DMV region has resulted in it now being prohibitively expensive to continue to rely heavily on this location to enroll students. Given these market realities, UMGC has implemented a national marketing campaign to increase enrollment from outside the DMV region and the military.

UMGC has been authorized to spend up to \$500 million in advertising costs over six years, beginning in fiscal 2019, to attract students. The national campaign has been authorized to expend up to \$289 million, while regional advertising spending has been authorized to expend up to \$211 million. The funding for this initiative was approved on June 22, 2018, in a closed session of USM BOR, while the Board of Public Works approved the funding on January 23, 2019. The funding of the advertising campaign involves UMGC using \$89 million of fund balance with the remaining amount (\$411 million) coming from the expected tuition and fees revenues associated with increased enrollment. The \$500 million in funding will be split equally between online advertising and offline marketing strategies. To date, funds spent or budgeted for the campaign have been:

- ***Fiscal 2019:*** National – \$17 million, Regional – \$38 million;
- ***Fiscal 2020:*** National – \$13 million, Regional – \$34 million; and
- ***Fiscal 2021:*** National – \$13 million, Regional – \$34 million.

UMGC selected Philadelphia as a test market for its national expansion in fiscal 2019, but the outcomes proved to be disappointing. The university spent \$17 million of the \$21.5 million approved for fiscal 2019 but saw an increase of only 212 students. With these results, UMGC engaged consultants to validate its enrollment strategies and determined that the national expansion plan may not reach its

financial and enrollment targets in the projected timeframe. In response, UMGC reduced its planned national advertising spending for fiscal 2020 from \$50 million to \$13 million while reviewing alternatives that could help it reach its goals. Additionally, new media buying and digital marketing agencies have been hired to assist in the marketing campaign, both of which have provided early successful returns on investment.

The goal of the UMGC National Footprint Campaign continues to be to increase student enrollment. UMGC has performance metrics in place to ensure that advertising activity data is meeting internal targets. A daily review is completed by the enrollment and marketing department to ensure that website visits, inquiries, applications, and enrollments are analyzed with the distribution of resources then allocated based on the success of the strategy. Weekly phone conversations occur between vendors and UMGC personnel to capitalize on marketing strengths and opportunities. If vendors fail to meet performance targets, UMGC has the ability to cancel a contract and reallocate those required services to one of the other vendors in the respective advertising area. Internal UMGC dashboards are in place to allow the institution to refine particular marketing strategies. UMGC leveraged their data warehouse, which stores multiple years of data, and is partnering with HelioCampus to study long-term response patterns and optimize their advertising tactics.

The Department of Legislative Services recommends that UMGC submit a report on the goals of the advertising campaign and progress toward the goals. The report should include the return on investment attained on the regional and national advertising expenditures based on enrollment.

3. Institutional Realignment/Academic Affairs Reorganization

In October 2019, the undergraduate school and the graduate school were replaced by three new schools, organized by discipline: the School of Business; the School of Cybersecurity and Information Technology; and the School of Arts and Sciences. In addition to the academic restructuring, nonacademic units were also realigned into four departments: the Office of the Deputy Chief Academic Officer; Student Affairs; Academic Operations; and Academic Assessment. UMGC underwent this realignment to accomplish several institutional goals:

- to enhance program quality and consistency;
- to create discipline-specific communities for faculty;
- to create curriculum-design and course-development efficiency and innovation;
- to create a more efficient and intentional vertical pathway for students;
- to improve student support and service; and
- to create a coordinated approach to academic assessment.

R30B30 – USM – University of Maryland Global Campus

While some current employees were immediately integrated into the new structure, 108 positions were terminated as part of the academic restructuring because their former position within the reorganized structure would no longer exist. It should be noted that several of the positions were vacant leading up to the reorganization. Individuals who were terminated were given a short period of time to re compete for positions; however, all who reapplied were included in an internal search and selection process. The majority of these positions were held by program chairs or faculty members. Faculty members who had been with the university for more than seven years were provided six months of paid administrative leave if they did not reapply or were not chosen for new jobs, those who have worked fewer than seven years received three months of paid administrative leave.

After the academic affairs reorganization was completed, UMGC experienced a net gain of 25 full-time collegiate faculty, increasing to 67 from 42 when compared to the previous academic structure. The number of program directors decreased by 27, going from 73 to 46, resulting in an academic affairs personnel increase of 1 position, going from 108 to 109 upon academic affairs reorganization. It should also be noted that no academic programs were abolished in the realignment.

The President should comment on how the institution’s academic affairs and student services realignment has achieved the goals identified by UMGC.

Operating Budget Recommended Actions

1. Adopt the following narrative:

National Footprint Campaign: The University of Maryland Global Campus (UMGC) is undertaking a \$500 million National Footprint Campaign, which includes \$289 million for a national campaign and \$211 million for a regional campaign, to increase enrollment from outside the Baltimore-Washington area. UMGC has performance metrics in place to ensure that the advertising data is meeting internal targets. Initial results have been mixed. The committees request that UMGC submit a report by December 1, 2020, on the goals of the advertising campaign and progress toward the goals. The report should include the return on investment attained on the regional and national advertising expenditures based on enrollment.

Information Request	Author	Due Date
National Footprint Campaign	UMGC	December 1, 2020

Appendix 1
2019 Joint Chairmen’s Report Responses from Agency

The 2019 *Joint Chairmen’s Report* (JCR) requested that the University of Maryland Global Campus (UMGC) prepare one report. Electronic copies of the full JCR response can be found on the Department of Legislative Services Library website.

- ***Report on the National Footprint Campaign:*** In 2018 and 2019, UMGC was approved to fund an advertising effort designed to drive growth nationally. For additional information, see Issue 2 of this analysis.

Appendix 2
Audit Findings

Audit Period for Last Audit:	July 1, 2014 – September 30, 2018
Issue Date:	November 2019
Number of Findings:	4
Number of Repeat Findings:	1
% of Repeat Findings:	25%
Rating: (if applicable)	n/a

Finding 1: The University of Maryland Global Campus (UMGC) did not establish a process for independent reviews of students granted military residency status.

Finding 2: UMGC made termination payments totaling \$292,000 to a former employee that were not consistent with UMGC’s policy on such payments.

Finding 3: **Certain malware protection controls did not exist from numerous UMGC computers to provide adequate assurance that the computers were properly protected from security risks.**

Finding 4: For UMGC’s outsourced information technology (IT) functions, the two system and organization controls reports reviewed by the Office of Legislative Audits did not address certain IT security and operational controls.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Object/Fund Difference Report
USM – University of Maryland Global Campus

<u>Object/Fund</u>	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u> <u>Appropriation</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20 - FY 21</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	1,032.71	1,032.71	1,032.71	0.00	0%
02 Contractual	2,202.33	2,224.69	2,212.39	-12.30	-0.6%
Total Positions	3,235.04	3,257.40	3,245.10	-12.30	-0.4%
Objects					
01 Salaries and Wages	\$ 225,342,744	\$ 228,172,743	\$ 225,770,834	-\$ 2,401,909	-1.1%
02 Technical and Spec. Fees	6,210,799	8,666,970	8,676,272	9,302	0.1%
03 Communication	508,147	1,045,029	1,045,029	0	0%
04 Travel	1,854,532	2,974,434	2,974,434	0	0%
06 Fuel and Utilities	2,255,351	2,612,632	2,612,632	0	0%
07 Motor Vehicles	84,574	114,700	114,700	0	0%
08 Contractual Services	151,200,630	151,589,596	133,307,796	-18,281,800	-12.1%
09 Supplies and Materials	2,705,879	3,830,672	3,830,672	0	0%
11 Equipment – Additional	218,761	130,000	130,000	0	0%
12 Grants, Subsidies, and Contributions	67,730,728	64,820,482	67,953,707	3,133,225	4.8%
13 Fixed Charges	7,036,535	7,183,938	7,183,938	0	0%
14 Land and Structures	12,297,840	15,981,878	15,981,878	0	0%
Total Objects	\$ 477,446,520	\$ 487,123,074	\$ 469,581,892	-\$ 17,541,182	-3.6%
Funds					
40 Unrestricted Fund	\$ 426,932,480	\$ 439,838,921	\$ 419,164,514	-\$ 20,674,407	-4.7%
43 Restricted Fund	50,514,040	47,284,153	50,417,378	3,133,225	6.6%
Total Funds	\$ 477,446,520	\$ 487,123,074	\$ 469,581,892	-\$ 17,541,182	-3.6%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.

Appendix 4
Fiscal Summary
USM – University of Maryland Global Campus

<u>Program/Unit</u>	<u>FY 19 Actual</u>	<u>FY 20 Wrk Approp</u>	<u>FY 21 Allowance</u>	<u>Change</u>	<u>FY 20 - FY 21 % Change</u>
01 Instruction	\$ 111,939,545	\$ 115,120,763	\$ 113,683,210	-\$ 1,437,553	-1.2%
03 Public Service	14,568,300	18,476,668	14,700,000	-3,776,668	-20.4%
04 Academic Support	58,593,617	62,077,493	61,745,776	-331,717	-0.5%
05 Student Services	125,210,851	117,646,388	103,452,178	-14,194,210	-12.1%
06 Institutional Support	74,606,019	78,909,474	77,979,358	-930,116	-1.2%
07 Operation And Maintenance of Plant	24,726,417	30,008,684	30,004,541	-4,143	0%
08 Auxiliary Enterprises	113,020	100,000	100,000	0	0%
17 Scholarships And Fellowships	67,688,751	64,783,604	67,916,829	3,133,225	4.8%
Total Expenditures	\$ 477,446,520	\$ 487,123,074	\$ 469,581,892	-\$ 17,541,182	-3.6%
Unrestricted Fund	\$ 426,932,480	\$ 439,838,921	\$ 419,164,514	-\$ 20,674,407	-4.7%
Restricted Fund	50,514,040	47,284,153	50,417,378	3,133,225	6.6%
Total Appropriations	\$ 477,446,520	\$ 487,123,074	\$ 469,581,892	-\$ 17,541,182	-3.6%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.